

Simpson Thacher Wins Final Dismissal With Prejudice in Securities Fraud Class Action Against Client Global Eagle Entertainment

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In March 2017, Global Eagle announced that its CEO and CFO had resigned and that it would be delayed in filing its annual report with the SEC due to increased complexity in financial reporting following its transformational acquisition of Emerging Markets Communications, including the identification of material weaknesses in internal controls. Almost immediately thereafter, multiple plaintiffs filed lawsuits in the United States District Court for the Central District of California, alleging that Global Eagle made material misrepresentations or omissions regarding its internal controls and the success of the EMC acquisition.

On October 30, 2017, Judge Percy Anderson dismissed with prejudice Plaintiffs' second amended complaint. In granting the motion to dismiss, Judge Anderson found that there was "no meaningful way" for Plaintiffs to amend their pleadings to "adequately allege scienter or falsity of statements at the time they were made" and that leave to amend was therefore "futile."

In response to Global Eagle's November filing of its delayed annual report, Plaintiffs filed a motion to alter or amend the judgment of dismissal so that Plaintiffs could file another amended complaint. On January 9, 2018, Judge Anderson denied this motion, finding that significant portions of the allegedly new information were "disclosed to the public prior to entry of judgment" and that none of the allegedly new information "would have changed the outcome of the case."

The decision received media coverage in *The Am Law Litigation Daily*. To read *The Am Law Litigation Daily* article, [click here](#) (subscription required).

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